



## ANNUAL FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2009



## Management Team



**Dr. ENOS BANDA**

**Chairman**

**STEVEN JOFFE**

**Chief Executive Officer**

**JARROD FRIEDMAN**

**Financial Director**



# GOLD REEF

RESORTS

## AGENDA

- INTRODUCTION & GROUP STRUCTURE
- INDUSTRY OVERVIEW
- OPERATIONS OVERVIEW
- FINANCIAL OVERVIEW
- CORPORATE DEVELOPMENT
- OUTLOOK & CONCLUSION

INTRODUCTION & GROUP STRUCTURE

INDUSTRY OVERVIEW

OPERATIONS OVERVIEW

FINANCIAL OVERVIEW

CORPORATE DEVELOPMENT

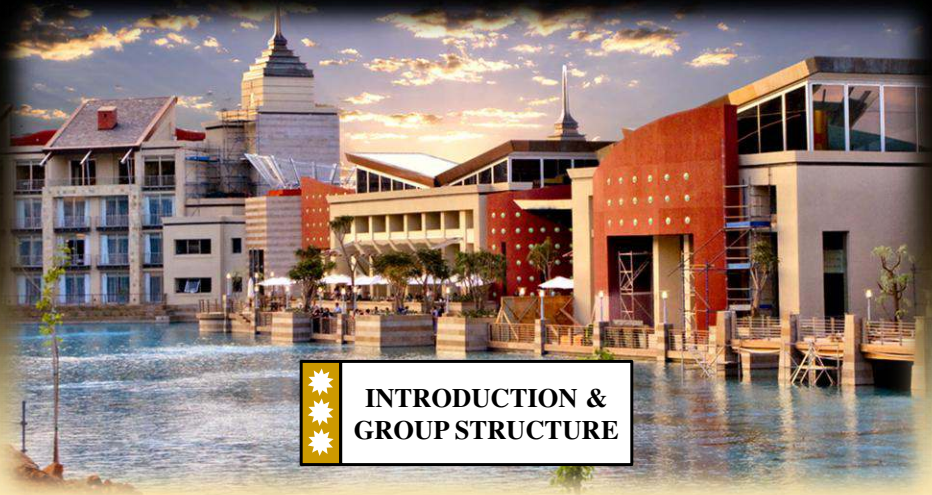
OUTLOOK & CONCLUSION

3



# GOLD REEF

RESORTS



## INTRODUCTION & GROUP STRUCTURE

INTRODUCTION & GROUP STRUCTURE

INDUSTRY OVERVIEW

OPERATIONS OVERVIEW

FINANCIAL OVERVIEW

CORPORATE DEVELOPMENT

OUTLOOK & CONCLUSION

4

## Introduction 2009



- 🔗 Market capitalisation of approximately **R5,5 billion** at **R18,86** per share
- 🔗 EBITDAR multiple of **7,0** at **R18,86**
- 🔗 Net Debt of **R1,1 billion** representing Debt:EBITDAR multiple of **1:2**
- 🔗 P/E of **14,3** at **R18,86** on 2009 **HEPS**
- 🔗 **18,0%** of national gaming positions with **134** tables and **3 976** slots in **7** casinos
- 🔗 GRR disbursed or committed **R26,3 million** for Corporate Social Investment in 2009 (2008: **R22,6 million**)

5

Annual financial results for the year ended 31 December 2009

## Introduction 2009



### 2009 defined by:

- 🔗 Refurbishment projects at Golden Horse Casino, Mykonos Casino & Garden Route Casino

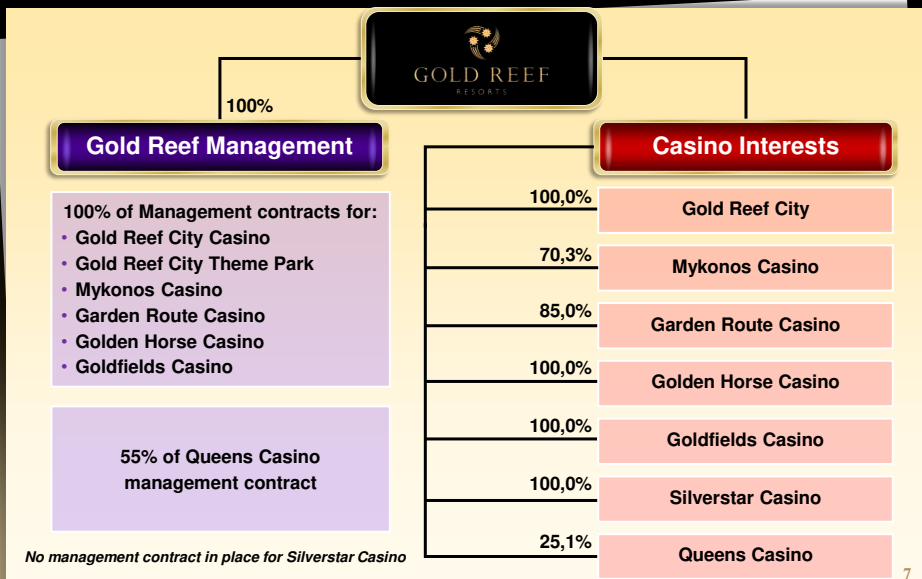


- 🔗 Roll-out of smartcard gaming throughout remaining properties in the Group
- 🔗 Focus on cost control in order to preserve margins in challenging economic conditions

6

Annual financial results for the year ended 31 December 2009

# Group Structure



Annual financial results for the year ended 31 December 2009

The image shows the entrance to the Queens Casino at night. The entrance features a large, illuminated archway with the words "QUEENS CASINO" in large, glowing letters. Above the archway is the Gold Reef Resorts logo. Below the archway, there is a sign that reads "INDUSTRY OVERVIEW".

**INDUSTRY OVERVIEW**

Navigation bar:

- INTRODUCTION & GROUP STRUCTURE
- INDUSTRY OVERVIEW
- OPERATIONS OVERVIEW
- FINANCIAL OVERVIEW
- CORPORATE DEVELOPMENT
- OUTLOOK & CONCLUSION

## South African Economy



- Global recession negatively impacts SA economy with real GDP shrinking by 1,8% in 2009
- Uncertainty in the job market puts pressure on consumer disposable income & therefore casino revenue
- Reduced revenue & inflationary pressures on costs erodes margins

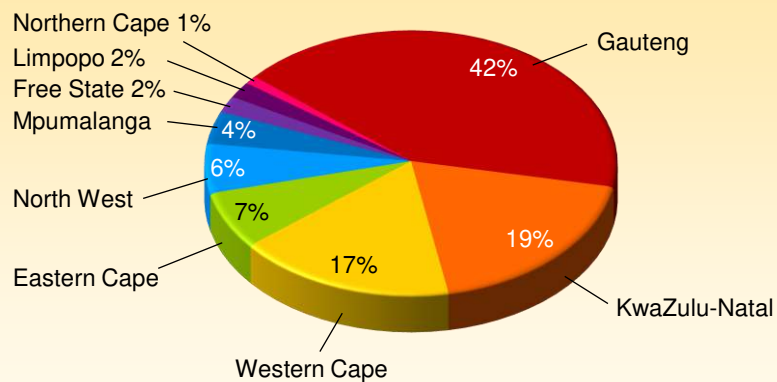
9

Annual financial results for the year ended 31 December 2009

## Gross Gaming Revenue (GGR) per Province



- Total GGR of R15,9 billion to March 2009 (2008: R15,6 billion)



10

Annual financial results for the year ended 31 December 2009

## Provincial GGR



Period: 1 January – 31 December

<i>R million</i>	2005	2006	2007	2008	2009	% Change
Gauteng	4 208	4 878	5 469	5 896	5 843	(0,9%)
KwaZulu-Natal	1 519	1 765	2 118	2 258	2 362	4,6%
Western Cape	1 643	1 877	2 203	2 227	2 084	(6,4%)
Free State	195	289	365	383	378	(1,3%)
Eastern Cape	746	824	908	906	889	(1,9%)

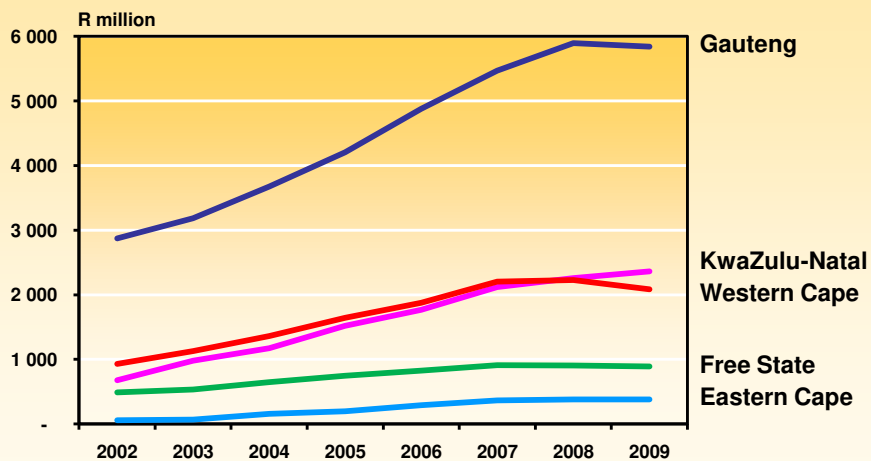
11

Annual financial results for the year ended 31 December 2009

## Provincial GGR



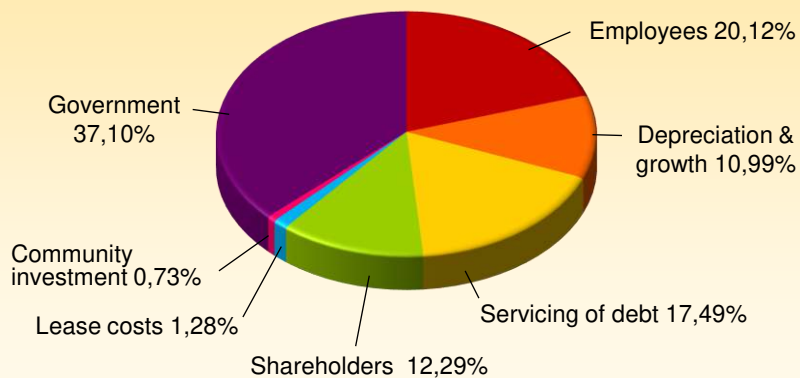
Period: 1 January – 31 December



12

Annual financial results for the year ended 31 December 2009

## Casino Industry Value Added



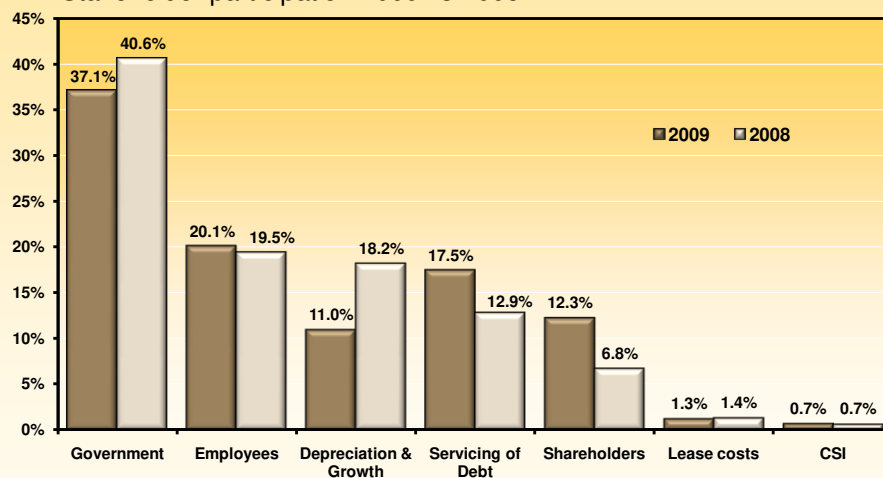
13

Annual financial results for the year ended 31 December 2009

## Casino Industry Value Added



### Stakeholder participation 2009 vs 2008



14

Annual financial results for the year ended 31 December 2009





# GOLD REEF RESORTS





## OPERATIONS OVERVIEW

INTRODUCTION & GROUP STRUCTURE

INDUSTRY OVERVIEW

OPERATIONS OVERVIEW


FINANCIAL OVERVIEW

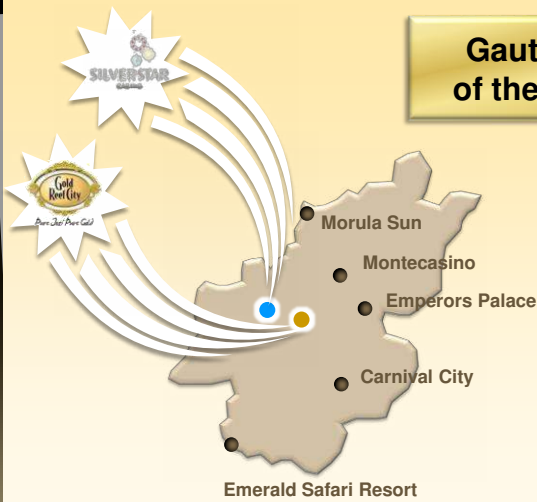
CORPORATE DEVELOPMENT

OUTLOOK & CONCLUSION

15




## Gauteng Overview





### Gauteng makes up 42% of the SA gaming market

### Gauteng Revenue for 2009

	H1: 1,06%
	H2: (2,78%)
	FY: (0,90%)

16

Annual financial results for the year ended 31 December 2009

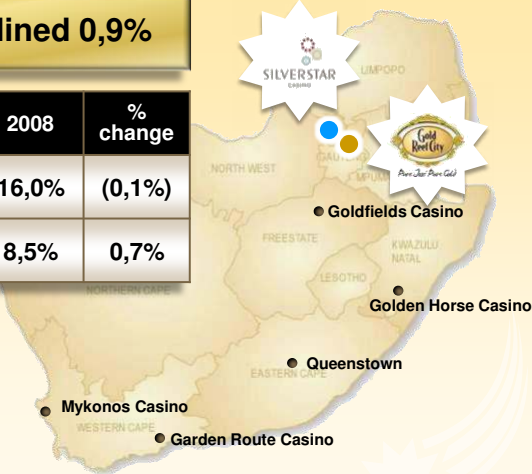
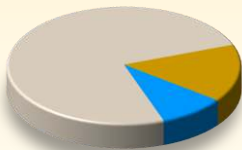


# Gauteng Overview



Gauteng market declined 0,9%

Market share	2009	2008	% change
Gold Reef City	15,9%	16,0%	(0,1%)
Silverstar Casino	9,2%	8,5%	0,7%



17

Annual financial results for the year ended 31 December 2009

# Gold Reef City



- Gold Reef City Casino
- Gold Reef City Theme Park
- South African Apartheid Museum (operated by S21 Company)



18

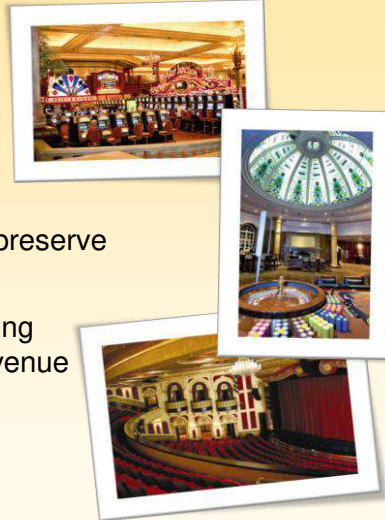
Annual financial results for the year ended 31 December 2009

## Gold Reef City Casino



Pure Jozi' Pure Gold

- 🔑 Focus on cost control in order to preserve margins
- 🔑 Implemented promotional marketing strategies aimed at increasing revenue levels
- 🔑 Change to theatre production mix significantly reduced losses



19

Annual financial results for the year ended 31 December 2009

## Gold Reef City Casino



Rand 000's

	2009	2008	% change
<b>No. of tables</b>	50	50	-
<b>Total tables GGR</b>	253 726	234 283	8,3%
<b>GGR / table</b>	5 075	4 686	8,3%
<b>No. of slots</b>	1 600	1 600	-
<b>Total slots GGR</b>	679 763	706 256	(3,8%)
<b>GGR / slot machine</b>	425	441	(3,8%)
<b>No. of visitors (000's)*</b>	2 568	2 553	0,6%



\* Excluding Theme Park

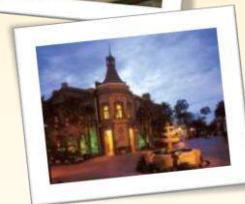
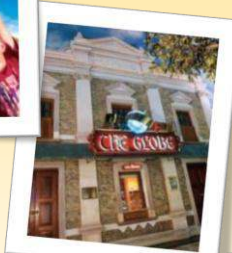
20

Annual financial results for the year ended 31 December 2009

## Gold Reef City Theme Park



*Pure Jazi' Pure Gold*



- 🔑 Revenue & EBITDAR increase
- 🔑 Ongoing revitalisation program
- 🔑 Hotel refurbishment – to be completed by June 2010

21

Annual financial results for the year ended 31 December 2009

## Gold Reef City



**R million**

	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
EBITDAR	369	378	(2,4%)
EBITDAR %	35,3%	35,8%	(0,5%)
External debt	(189)	(247)	23,5%



*Pure Jazi' Pure Gold*

22

Annual financial results for the year ended 31 December 2009

## Gold Reef City



*R million*

	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
Casino	960	990	(3,0%)
Theme Park	84	67	25,4%



Annual financial results for the year ended 31 December 2009

23

## Gold Reef City



*R million*

	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
EBITDAR	369	378	(2,4%)
Casino	362	376	(3,7%)
Theme Park	7	2	250,0%



Annual financial results for the year ended 31 December 2009

24

## Gold Reef City



*R million*

	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
EBITDAR	369	378	(2,4%)
EBITDAR %	35,3%	35,8%	(0,5%)
Casino	37,8%	38,0%	(0,2%)
Theme Park	7,9%	3,4%	4,5%

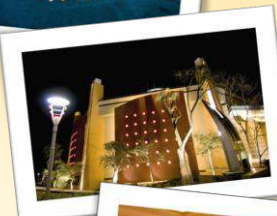
25

Annual financial results for the year ended 31 December 2009

## Silverstar Casino



- 🎰 Revenue & EBITDAR growth exceeds province
- 🎰 Growth in market share
  - All facilities completed
  - Patrons experiencing full range of entertainment options
- 🎰 Total debt decreased to R1,2 billion



26

Annual financial results for the year ended 31 December 2009

## Silverstar Casino



*Rand 000's*

	2009	2008	% change
No. of tables	24	24	-
Total tables GGR	125 509	113 053	11,0%
GGR / table	5 230	4 711	11,0%
No. of slots	784	784	-
Total slots GGR	409 008	390 435	4,8%
GGR / slot machine	522	498	4,8%
No. of visitors (000's)	1 480	1 372	7,9%



27

Annual financial results for the year ended 31 December 2009

## Silverstar Casino



*R million*

	2009	2008	% Change
Revenue	543	510	6,5%
EBITDAR	208	188*	10,6%
EBITDAR %	38,3%	36,9%	1,4%
External debt	(1 211)	(1 307)	7,3%



\* Adjusted to exclude pre-opening expenses

28

Annual financial results for the year ended 31 December 2009

# KwaZulu-Natal Overview



KwaZulu-Natal makes up 19% of the SA gaming market



## KwaZulu-Natal Revenue for 2009

★	H1: 4,73%
★	H2: 4,55%
▲	FY: 4,60%

29

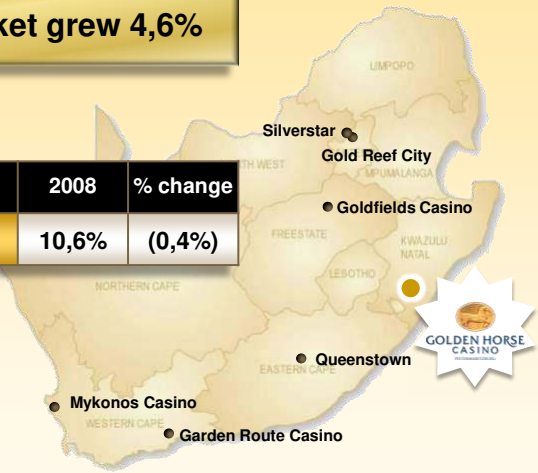
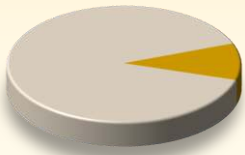
Annual financial results for the year ended 31 December 2009

# Golden Horse Casino



KwaZulu-Natal market grew 4,6%

Market share	2009	2008	% change
Golden Horse Casino	10,2%	10,6%	(0,4%)



30

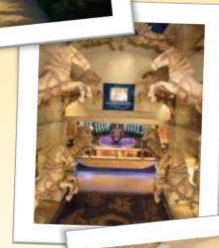
Annual financial results for the year ended 31 December 2009



## Golden Horse Casino



- 🎰 Revenue & EBITDAR growth
- 🎰 Casino phase of major refurbishment completed during the year within budget
- 🎰 Additional capex approved for 2010 renovations:
  - Exterior of the property
  - Hotel bedrooms



31

Annual financial results for the year ended 31 December 2009

## Golden Horse Casino



<i>Rand 000's</i>	2009	2008	% change
<b>No. of tables</b>	20*	18	11,1%
<b>Total tables GGR</b>	51 442	47 779	7,7%
<b>GGR / table</b>	2 572	2 654	(3,1%)
<b>No. of slots</b>	450	450	-
<b>Total slots GGR</b>	193 196	190 842	1,2%
<b>GGR / slot</b>	429	424	1,2%
<b>No. of visitors (000's)</b>	1 725	1 711	0,8%



\* Extra 2 tables are Holdem poker

32

Annual financial results for the year ended 31 December 2009

## Golden Horse Casino



*R million*

	2009	2008	% Change
Revenue	248	244	1,6%
EBITDAR	111	110	0,9%
EBITDAR %	44,7%	45,2%	(0,5%)
External debt	(41)	(49)	16,3%



33

Annual financial results for the year ended 31 December 2009

## Western Cape Overview



Western Cape makes up 17% of the SA gaming market



### Western Cape Revenue for 2009

★	H1: (7,49%)
★	H2: (5,22%)
↓	FY: (6,40%)

34

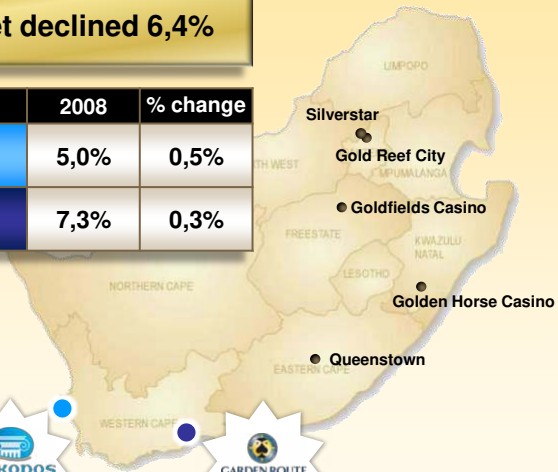
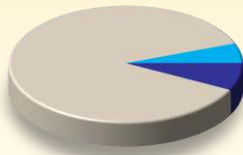
Annual financial results for the year ended 31 December 2009

## Western Cape



### Western Cape market declined 6,4%

Market share	2009	2008	% change
Mykonos Casino	5,5%	5,0%	0,5%
Garden Route Casino	7,6%	7,3%	0,3%



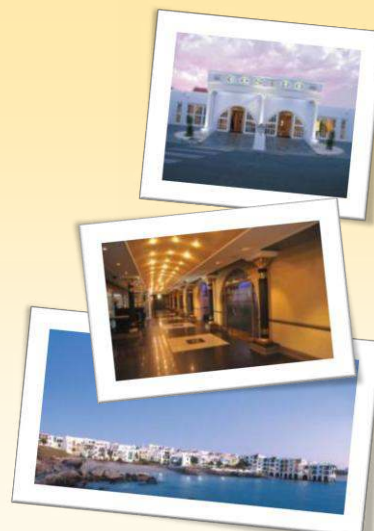
35

Annual financial results for the year ended 31 December 2009

## Mykonos Casino



- Revenue growth
- Refurbishment completed
- Smartcard gaming introduced in 1<sup>st</sup> quarter of 2010



36

Annual financial results for the year ended 31 December 2009

## Mykonos Casino



*Rand 000's*

	2009	2008	% change
No. of tables	9	9	-
Total tables GGR	10 079	12 030	(16,2%)
GGR / table	1 120	1 337	(16,2%)
No. of slots	300	300	-
Total slots GGR	103 545	99 592	4,0%
GGR / slot	345	332	4,0%
No. of visitors (000's)	885	974	(9,1%)



37

Annual financial results for the year ended 31 December 2009

## Mykonos Casino



*R million*

	2009	2008	% Change
Revenue	114	112	1,8%
EBITDAR	47	48	(2,1%)
EBITDAR %	41,3%	42,8%	(1,5%)
External debt	-	-	-



38

Annual financial results for the year ended 31 December 2009

## Garden Route Casino



### Completion of refurbishment project:

- Gaming floor
- Addition of 36 new slot machines
- Conversion to smartcard gaming
- Food & beverage facilities

### Growth in market share in spite of decline in Western Cape provincial GGR

39

Annual financial results for the year ended 31 December 2009

## Garden Route Casino



Rand 000's

	2009	2008	% change
<b>No. of tables</b>	16	16	-
<b>Total tables GGR</b>	15 742	18 043	(12,8%)
<b>GGR / table</b>	984	1 128	(12,8%)
<b>No. of slots</b>	412*	376	9,6%
<b>Total slots GGR</b>	143 162	144 966	(1,2%)
<b>GGR / slot</b>	347	386	(9,9%)
<b>No. of visitors (000's)</b>	412	448	(8,0%)



\* Additional 36 slots only added in November 2009

40

Annual financial results for the year ended 31 December 2009

## Garden Route Casino



*R million*

	2009	2008	% Change
Revenue	160	164	(2,4%)
EBITDAR	71	80	(11,3%)
EBITDAR %	44,7%	48,6%	(3,9%)
External debt	(26)	(33)	21,2%



41

Annual financial results for the year ended 31 December 2009

## Free State Overview



Free State makes up 2% of the SA gaming market

### Free State Revenue for 2009

★	H1: 1,21%
★	H2: (3,81%)
↓	FY: (1,30%)

42

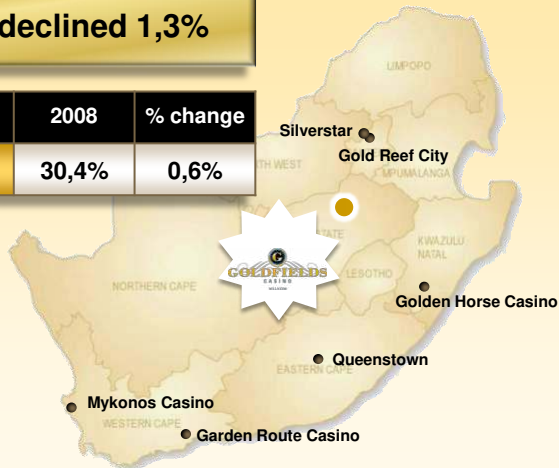
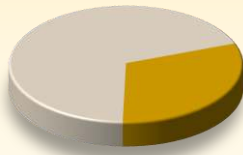
Annual financial results for the year ended 31 December 2009

## Goldfields Casino



**Free State market declined 1,3%**

Market share	2009	2008	% change
Goldfields Casino	31,0%	30,4%	0,6%



43

Annual financial results for the year ended 31 December 2009

## Goldfields Casino



- Revenue and market share growth
- Smartcard gaming introduced in 1st quarter of 2010
- Refurbishment of major shopping complex adjacent to casino expected to be completed in 2010



44

Annual financial results for the year ended 31 December 2009



## Goldfields Casino



*Rand 000's*

	2009	2008	% change
No. of tables	9	9	-
Total tables GGR	13 074	14 439	(9,5%)
GGR / table	1 453	1 604	(9,5%)
No. of slots	250	250	-
Total slots GGR	104 104	101 968	2,1%
GGR / slot	416	408	2,1%
No. of visitors (000's)	775	808	(4,1%)



45

Annual financial results for the year ended 31 December 2009

## Goldfields Casino



*R million*

	2009	2008	% Change
Revenue	119	118	0,8%
EBITDAR	52	53	(1,9%)
EBITDAR %	43,7%	44,7%	(1,0%)
External debt	(45)	(58)	22,4%



46

Annual financial results for the year ended 31 December 2009

## Eastern Cape Overview



Eastern Cape makes up 7% of the SA gaming market

### Eastern Cape Revenue for 2009



H1: (3,82%)



H2: (0,01%)



FY: (1,90%)

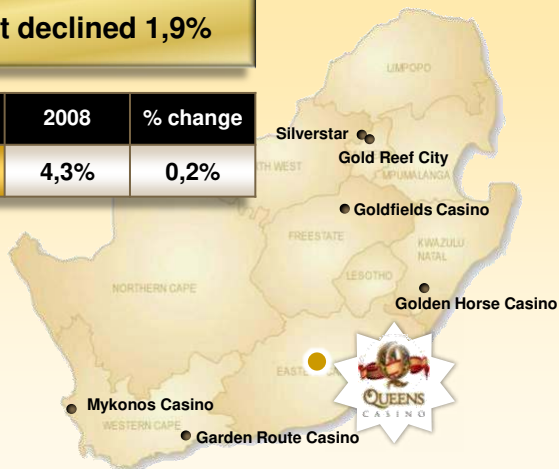
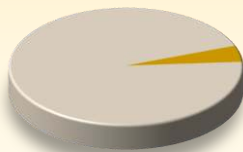
47

Annual financial results for the year ended 31 December 2009

## Queens Casino

Eastern Cape market declined 1,9%

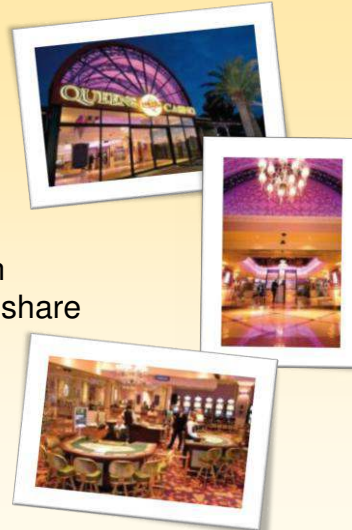
Market share	2009	2008	% change
Queens Casino	4,5%	4,3%	0,2%



48

Annual financial results for the year ended 31 December 2009

## Queens Casino



- Trading improved with growth in revenue, EBITDAR and market share
- Significant savings in overhead expenses following extensive restructure of cost base

49

Annual financial results for the year ended 31 December 2009

## Queens Casino



<i>Rand 000's</i>	2009	2008	% change
<b>No. of tables</b>	6	6	-
<b>Total tables GGR</b>	4 839	6 228	(22,3%)
<b>GGR / table</b>	807	1 038	(22,3%)
<b>No. of slots</b>	180	180	-
<b>Total slots GGR</b>	35 765	32 381	10,5%
<b>GGR / slot</b>	199	180	10,5%
<b>No. of visitors (000's)</b>	223	289	(22,8%)



50

Annual financial results for the year ended 31 December 2009

# Queens Casino



R million

	2009	2008	% Change
Revenue	51	46	10,9%
EBITDAR	12	6*	100,0%
EBITDAR %	22,7%	11,9%	10,8%
External debt	(49)	(51)	3,9%



\* Adjusted to exclude pre-opening expenses

51

Annual financial results for the year ended 31 December 2009





FINANCIAL OVERVIEW

INTRODUCTION & GROUP STRUCTURE

INDUSTRY OVERVIEW

OPERATIONS OVERVIEW



FINANCIAL OVERVIEW

CORPORATE DEVELOPMENT

OUTLOOK & CONCLUSION

52

# Condensed Consolidated Income Statement



	%	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Revenue</b>	1	2 229	2 197
Net gaming win	1	2 065	2 042
Theme Park	7	72	67
Food and beverage	9	35	32
Other	2	57	56
Other income		15	1
		2 244	2 198
Gaming levies and VAT		(412)	(410)
Employee costs		(480)	(463)
Promotional and marketing costs		(140)	(133)
Depreciation and amortisation		(185)	(161)
Other operating expenses		(336)	(326)
<b>Operating profit</b>	(2)	691	705
Finance income		38	80
Finance costs		(171)	(214)
<b>Profit before equity accounted earnings</b>		558	571
Share of loss of associate		(5)	(8)
<b>Profit before taxation</b>	(2)	553	563
Taxation expense		(180)	(188)
<b>Profit for the year</b>	(1)	373	375
<b>Profit attributable to:</b>			
Equity holders of Gold Reef	1	360	358
Minority interest		13	17
		373	375
Number of shares in issue (000)		291 990	291 990
Weighted average number of shares in issue (000)		275 291	274 006
<b>Earnings per share (cents)</b>		131,0	130,6
<b>Diluted earnings per share (cents)</b>		131,0	130,6

Annual financial results for the year ended 31 December 2009

# Supplementary Information



EBITDAR RECONCILIATION	%	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
Operating profit		691	705
Property and equipment rental		21	20
Depreciation and amortisation		185	161
<b>EBITDAR</b>	1	897	886
Weighted average number of shares in issue (000)		275 291	274 006
<b>EBITDAR per share (cents)</b>	1	326,0	323,3
<b>EBITDAR margin (%)</b>		40,3	40,3
HEADLINE EARNINGS RECONCILIATION	%	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
Attributable profit for the year		360	358
Profit on sale of financial instruments		*	*
Impairment of property, plant and equipment		1	*
Loss/(profit) on sale of property, plant and equipment		2	*
<b>Headline earnings</b>	1	363	358
Weighted average number of shares in issue (000)		275 291	274 006
<b>Headline earnings per share (cents)</b>	1	131,9	130,5
<b>Diluted headline earnings per share (cents)</b>	1	131,9	130,5

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Statement of Comprehensive Income



	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Profit for the year</b>	<b>373</b>	<b>375</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>15</b>	<b>(67)</b>
Fair value gain/(loss) on interest rate hedge	7	(67)
Fair value loss on foreign exchange hedge	*	-
Income tax relating to components of other comprehensive income	8	-
<b>Total comprehensive income for the year</b>	<b>388</b>	<b>308</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of Gold Reef	375	291
Minority interest	13	17
	<b>388</b>	<b>308</b>

\* Amount less than R1 million

55

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Balance Sheet



	REVIEWED AT 31 DECEMBER 2009 Rm	AUDITED AT 31 DECEMBER 2008 Rm
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2 547	2 545
Leasehold improvements	138	123
Intangible assets	1 185	1 187
Deferred income tax assets	13	5
Investment in associate	23	31
Share scheme	47	33
	<b>3 953</b>	<b>3 924</b>
<b>Current assets</b>		
Inventories	19	19
Trade and other receivables	42	30
Current tax assets	2	7
Amounts owing by related parties	*	*
Cash and cash equivalents	440	443
	<b>503</b>	<b>499</b>
<b>Total assets</b>	<b>4 456</b>	<b>4 423</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Repayable amounts	1 000	1 000
Deferred income tax liabilities	64	54
Provision for doubtful debts	2	21
Current liabilities	1 066	1 075
<b>Equity</b>		
Share capital	1 000	1 000
Reserves	3 350	3 348
	<b>4 350</b>	<b>4 348</b>

56

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Balance Sheet



	REVIEWED AT 31 DECEMBER 2009 Rm	AUDITED AT 31 DECEMBER 2008 Rm
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	2 547	2 545
Leasehold improvements	158	123
Intangible assets	1 145	1 147
Deferred income tax assets	11	5
Investment in associates	25	23
Share intakes	87	23
	<b>3 973</b>	<b>3 866</b>
Current assets		
Trade receivables	13	10
Trade and other payables	47	39
Current tax assets	7	-
Amounts owing to related parties	285	433
Cash and cash equivalents	1 478	2 111
	<b>1 820</b>	<b>2 603</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	6	6
Share premium	1 860	1 860
Treasury shares	(58)	(71)
	<b>1 808</b>	<b>1 795</b>
Share-based payment reserve	389	382
Other reserves	(545)	(565)
Retained earnings	979	799
	<b>2 631</b>	<b>2 411</b>
Minority interest	45	43
<b>Total equity</b>	<b>2 676</b>	<b>2 454</b>
<b>Non-current liabilities</b>		
Interest-bearing borrowings	1 325	1 506
Deferred income tax liabilities	64	54
Derivative financial instruments	9	21
Cash-settled share incentive scheme liability	4	-
	<b>1 402</b>	<b>1 581</b>
<b>Current liabilities</b>		
Trade and other payables	153	135
Provisions	34	57
Current portion of interest-bearing borrowings	187	188
Current income tax liabilities	4	8
Amounts owing to related parties	*	*
Bank overdraft	*	*
	<b>378</b>	<b>388</b>
<b>Total equity and liabilities</b>	<b>4 456</b>	<b>4 423</b>

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Statement of Changes in Equity



	SHARE CAPITAL NET OF TREASURY SHARES Rm	RESERVES Rm	RETAINED EARNINGS Rm	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF GOLD REEF Rm	MINORITY INTEREST Rm	TOTAL EQUITY Rm
<b>Balance at 1 January 2008</b>	1 767	(116)	718	2 369	32	2 401
<b>Total comprehensive income for the year ended 31 Dec 2008</b>	-	(67)	358	291	17	308
Attributable profit for the year	-	-	358	358	17	375
Fair value loss on interest rate hedge, net of tax	-	(67)	-	(67)	-	(67)
Net movement between share scheme and participants	28	(5)	-	23	-	23
Recognition of share-based payments	-	5	-	5	-	5
Dividends paid	-	-	(277)	(277)	-	(277)
Dividends paid to minorities by subsidiaries	-	-	-	-	(6)	(6)
<b>Balance at 31 December 2008</b>	1 795	(183)	799	2 411	43	2 454
<b>Total comprehensive income for the year ended 31 Dec 2009</b>	-	15	360	375	13	388
Attributable profit for the year	-	-	360	360	13	373
Fair value gain on interest rate hedge, net of tax	-	15	-	15	-	15
Fair value loss on foreign exchange hedge, net of tax	-	*	-	*	-	*
Net movement between share scheme and participants	13	6	-	19	-	19
Recognition of share-based payments	-	6	-	6	-	6
Dividends paid	-	-	(180)	(180)	-	(180)
Dividends paid to minorities by subsidiaries	-	-	-	-	(11)	(11)
<b>Balance at 31 December 2009</b>	1 808	(156)	979	2 631	45	2 676

\*"Reserves" comprise of "Share-based payment reserve" and "Other reserves". These reserves are disclosed separately on the balance sheet.  
\*Amount less than R1 million

Annual financial results for the year ended 31 December 2009



# Condensed Consolidated Cash Flow Statement



	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Cash flow from operating activities</b>		
Profit before taxation	553	563
Non-cash items and other adjustments	335	339
(Increase)/decrease in net current assets	(37)	45
<b>Cash flow from operating activities</b>	<b>851</b>	<b>947</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(186)	(422)
Additions to leasehold improvements	(20)	(23)
Investment in intangibles	*	*
Proceeds from disposal of property, plant and equipment	2	3
Loans repaid by associate	3	3
Loans repaid by/(advanced to) related parties	1	(2)
<b>Net cash utilised in investing activities</b>	<b>(200)</b>	<b>(441)</b>

59

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Cash Flow Statement



	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Cash flow from operating activities</b>		
Profit before taxation	553	563
Non-cash items and other adjustments	335	339
(Increase)/decrease in net current assets	(37)	45
<b>Cash flow from operating activities</b>	<b>851</b>	<b>947</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(186)	(422)
Additions to leasehold improvements	(20)	(23)
Investment in intangibles	*	*
Proceeds from disposal of property, plant and equipment	2	3
Loans repaid by associate	3	3
Loans repaid by/(advanced to) related parties	1	(2)
<b>Net cash utilised in investing activities</b>	<b>(200)</b>	<b>(441)</b>

60

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Cash Flow Statement



	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm		AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm	
<b>Cash flow from operating activities</b>				
Profit before taxation	19	(34)		
Adjustments for and other adjustments	(14)	46		
Dividends/Decrease in net current assets	(11)	(6)		
Cash flow from operating activities	29	10		
Interest income	23	246		
Net cash generated in operating activities	52	256		
<b>Cash flow from investing activities</b>				
Interest received	23	246		
Dividends and loan repayments to outside shareholders	(11)	(6)		
Dividends and loan repayments to outside shareholders	(11)	(6)		
Dividends and loan repayments to outside shareholders	(11)	(6)		
Net cash (utilised)/generated in investing activities	(11)	(6)		
<b>Net cash (utilised)/generated in financing activities</b>				
Shares issued/(repurchased) by share scheme	19	(34)		
(Increase)/decrease in share scheme loans	(14)	46		
Dividends and loan repayments to outside shareholders	(11)	(6)		
(Decrease)/increase in interest-bearing borrowings	(183)	246		
<b>Net cash (utilised)/generated in financing activities</b>				
	(189)	252		
<b>Net (decrease)/increase in cash and cash equivalents</b>				
	(3)	126		
Cash and cash equivalents at beginning of year	443	317		
<b>Cash and cash equivalents at end of year</b>				
	440	443		

61

Annual financial results for the year ended 31 December 2009

# Segmental Analysis



	REVENUE			EBITDAR			EBITDAR MARGIN		ASSETS				TOTAL ASSETS	
	2009 Rm	2008 Rm	%	2009 Rm	2008 Rm	%	2009 %	2008 %	NON-CURRENT		CURRENT		2009 Rm	2008 Rm
Gold Reef City Casino	960	990	(3)	362	376	(4)	37,8	38,0	1 082	1 114	138	108	1 220	1 222
Gold Reef City Theme Park	84	67	25	7	2	250	7,9	3,4	19	*	17	14	36	14
Silverstar Casino	543	510	6	208	188	11	38,3	36,9	1 036	1 059	305	212	1 341	1 271
Golden Horse Casino	248	244	2	111	110	1	44,7	45,2	202	160	36	39	238	199
Mykonos Casino	114	112	2	47	48	(2)	41,3	42,8	57	55	24	23	81	78
Garden Route Casino	160	164	(2)	71	80	(11)	44,7	48,6	124	84	34	57	158	141
Goldfields Casino	119	118	1	52	53	(2)	43,7	44,7	120	124	21	30	141	154
Queens Casino	51	46	11	12	6	100	22,7	11,9	104	116	10	17	114	133
Gold Reef Management	70	61	15	28	3	833	40,5	5,0	1	1	115	84	116	85
Gold Reef Resorts	-	-		229	250	(8)			2 819	2 704	186	417	3 005	3 121
Consolidation and other group companies **	(120)	(115)		(230)	(230)				(1 611)	(1 493)	(383)	(502)	(1 994)	(1 995)
	2 229	2 197	1	897	886	1	40,3	40,3	3 953	3 924	503	499	4 456	4 423

\* Amount less than R1 million

\*\* Included in "Consolidation and other group companies" is the elimination of Queens Casino due to it being equity accounted.

62

Annual financial results for the year ended 31 December 2009

## Segmental Analysis - Continued



	CASH ON HAND		DEBT				TOTAL DEBT NET OF CASH		CAPEX				TOTAL CAPEX	
			NON-CURRENT		CURRENT				DEVELOPMENTAL		OPERATIONAL			
	2009 Rm	2008 Rm	2009 Rm	2008 Rm	2009 Rm	2008 Rm	2009 Rm	2008 Rm	2009 Rm	2008 Rm	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Gold Reef City Casino	32	87	(131)	(189)	(58)	(58)	(157)	(160)	-	37	38	50	38	87
Gold Reef City Theme Park	6	6	-	-	-	-	6	6	13	7	7	13	20	20
Silverstar Casino	291	199	(1 115)	(1 211)	(96)	(96)	(920)	(1 108)	-	271	14	11	14	282
Golden Horse Casino	28	31	(29)	(36)	(12)	(13)	(13)	(18)	46	23	18	10	64	33
Mykonos Casino	17	18	-	-	-	-	17	18	4	8	6	2	10	10
Garden Route Casino	29	53	(18)	(25)	(8)	(8)	3	20	50	-	2	3	52	3
Goldfields Casino	16	44	(32)	(45)	(13)	(13)	(29)	(14)	-	1	7	9	7	10
Queens Casino	7	14	(45)	(48)	(4)	(3)	(42)	(37)	-	30	2	1	2	31
Gold Reef Management	13	14	-	-	-	-	13	14	-	-	*	*	*	*
Gold Reef Resorts	4	1	-	-	-	-	4	1	-	-	-	-	-	-
Consolidation and other group companies **	(3)	(24)	45	48	4	3	46	27	-	(24)	(1)	(7)	(1)	(31)
	440	443	(1 325)	(1 506)	(187)	(188)	(1 072)	(1 251)	113	353	93	92	206	445

\* Amount less than R1 million

\*\* Included in "Consolidation and other group companies" is the elimination of Queens Casino due to it being equity accounted.

Annual financial results for the year ended 31 December 2009

## Historical Review



Income Statement	2009 R'm	2008 R'm	2007 R'm	2006 R'm	2005 R'm	2004 R'm	2003 R'm	2002 R'm
Revenue	2 229	2 197	1 702	1 517	1 165	1 057	904	787
EBITDAR or Adjusted EBITDAR	897	904	764	624	488	442	349	309
Operating profit	691	705	414	507	387	352	259	222
Net finance costs	133	134	22	25	-	5	31	51
Attributable profit for the year	360	358	146	254	231	192	125	101
Headline earnings	363	358	184	260	209	186	131	107
Number of shares in issue (000)	291 990	291 990	291 990	220 603	220 603	220 003	217 860	213 542
Weighted average number of shares (000)	275 291	274 006	238 388	203 961	205 260	203 938	202 031	213 542
EPS (cents)	131.0	130.6	61.2	124.7	112.4	94.2	61.9	47.5
HEPS or Adjusted HEPS (cents)	131.9	136.8	151.5	127.4	102.1	91.1	65.1	50.3
EBITDAR or Adjusted EBITDAR per share (cents)	326.0	329.8	320.7	305.8	237.8	216.8	172.8	144.5
Dividend per share (cents)	65.0	65.0	65.0	55.0	51.0	48.0	27.0	15.0
Special dividend per share (cents)	-	-	35.0	-	-	-	-	-
Balance Sheet								
Interest bearing borrowings	1 512	1 694	1 448	471	61	57	203	365
Total liabilities	1 780	1 969	1 752	825	257	248	353	461
Net cash and cash equivalents	440	443	317	63	109	105	66	153
Total assets	4 456	4 423	4 155	2 210	1 396	1 309	1 240	1 281
Financial Ratios								
Return on equity (%)	13.7	14.8	6.2	21.4	22.1	20.6	15.3	15.4
Gearing (%)	57.5	70.3	61.1	39.7	5.8	6.1	24.9	26.0
Interest cover (times)	5.2	5.3	18.4	20.3	N/A	73.7	8.3	4.4
Dividend cover (times)	2.0	2.1	2.3	2.3	2.0	2.0	2.4	3.4
NAV per share (cents)	950.0	880.0	994.2	582.6	508.0	456.5	401.7	356.7

64

Annual financial results for the year ended 31 December 2009



## Securities Regulation Panel (SRP) & Black Economic Empowerment (BEE)

- Adverse ruling by SRP reviewed and set aside
- All provincial Gambling Boards approved the indirect acquisition by Tsogo of BEE shares in Gold Reef

66

Annual financial results for the year ended 31 December 2009

## Proposed Merger



### Introduction

- ☛ Gold Reef & Tsogo to merge respective gambling & hotel businesses
- ☛ Proposed transaction effected through acquisition by Gold Reef of entire issued share capital of Tsogo Sun for shares in Gold Reef
- ☛ Results in a change of control
- ☛ Conditions precedent:
  - Shareholder approval
  - Gambling Board approvals
  - Competition Authorities approvals

67

Annual financial results for the year ended 31 December 2009

## Proposed Merger



### Rationale for the Proposed Transaction

- ☛ Creation of a leading gaming and hotel business incorporating 14 casinos and over 90 hotels
- ☛ Diversification and access to new revenue streams, new markets and opportunities
- ☛ Access to capital including:
  - Greater presence and profile in equity markets
  - SA bank loan and debt capital markets

68

Annual financial results for the year ended 31 December 2009

## Proposed Merger



### Salient features

- ☛ Category 1 and related party transaction in terms of JSE Listings Requirements
- ☛ Affected transaction in terms of SRP Code
- ☛ Both require Gold Reef Shareholder approval
- ☛ Gold Reef Shareholders required to approve Whitewash Resolution
  - Waiver of mandatory offer at assumed price of R19,25
- ☛ Financial effects announcement on full year results to 31 December 2009 and posting of Circular expected on or about Wednesday 31 March 2010

69

Annual financial results for the year ended 31 December 2009



## Prospects



- ☛ Strong cash generation
- ☛ Manageable gearing
- ☛ High quality asset portfolio
- ☛ Company well positioned to benefit from economic recovery
- ☛ Proposed merger with Tsogo Sun presents new growth opportunities



71

Annual financial results for the year ended 31 December 2009



## QUESTIONS & ANSWERS

